

**AGENDA**



**Recommendation for Council Action (Purchasing)**

<b>Austin City Council</b>	<b>Item ID:</b>	53213	<b>Agenda Number</b>	72.
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<b>Meeting Date:</b>	December 17, 2015
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<b>Department:</b>	Purchasing
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**Subject**

Authorize negotiation and execution of a 24-month contract with PIKE ELECTRIC, LLC., or one of the other qualified offerors to Request for Proposal LAG0105, to provide transmission and distribution electrical services, in an amount not to exceed \$30,000,000, with three 12-month extension options in an amount not to exceed \$15,000,000 per extension option, for a total contract amount not to exceed \$75,000,000.

**Amount and Source of Funding**

Funding in the amount of \$200,000 is available in the Fiscal Year 2015-2016 Operating Budget of Austin Energy. Funding in the amount of \$8,550,000 is available in the Fiscal Year 2015-2016 Capital Budget of Austin Energy. Funding for the remaining 17 months of the original contract period and extension options is contingent upon available funding in future budgets.

**Fiscal Note**

A fiscal note is attached.

<b>Purchasing Language:</b>	Best evaluated proposal of four received.
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<b>Prior Council Action:</b>	
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<b>For More Information:</b>	Leslie Giannattasio, Senior Buyer, 512-322-6583
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<b>Boards and Commission Action:</b>	December 14, 2015 - To be reviewed by the Electric Utility Commission.
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<b>Related Items:</b>	
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<b>MBE / WBE:</b>	This contract will be awarded in compliance with City Code Chapter 2-9A Minority Owned and Women Owned Business Enterprise Procurement Program through the achievements of good faith efforts with 0.66% MBE and 0.93% WBE participation.
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**Additional Backup Information**

The contract is for transmission and distribution electrical construction and maintenance services for Austin Energy. These services include combinations of capital improvement and operating and maintenance activities. The contract provides Austin Energy with ready access to contract labor and equipment for the performance of routine and emergency transmission and distribution work. The services are primarily for service extensions, the removal and replacement of utility poles, residential distribution underground cable upgrades, storm related outage restoration and distribution line relocations.

Continued growth in the Austin area has contributed to the need to expand and upgrade electric infrastructure and acquire the materials and services to fulfill customer projects and meet electric utility reliability requirements. In response, Austin Energy must implement system modification projects such as installing new distribution and transmission facilities, and updating and improving existing facilities. This contract is critical to serving load growth and ensuring the reliability of the electrical system.

An Austin Energy evaluation team with expertise in this area evaluated the proposals and rated this proposal as the best to provide these services. Evaluation criteria used to evaluate the proposals include solution and program to accomplish the work, demonstrated applicable experience and personnel qualifications, price and local business presence.

This request allows for the development of a contract with a qualified offeror selected by Council. If the City is unsuccessful in negotiating a satisfactory contract with the selected offeror, negotiations will cease and staff will return to Council so that another qualified offeror may be selected.

The current contract expires in March 2016. Approval is requested in order to ensure an efficient transition to the new contract with no lapse in services.

MBE/WBE solicited: 33/12

MBE/WBE bid: 0/0

#### **PRICE ANALYSIS**

- a. Adequate competition.
- b. 666 notices were sent, including 33 MBEs and 12 WBEs. Four proposals were received, with no response from the MBEs/WBEs. Multiple notices may be sent to the same vendor, e.g. one vendor may have multiple email addresses/fax numbers.

#### **APPROVAL JUSTIFICATION**

- a. Best evaluated proposal.
- b. The Purchasing Office recommends contract award consistent with the evaluation committee.
- c. Advertised on the internet.